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C O N F I D E N T I A L SECTION 01 OF 02 MADRID 000784

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STATE FOR EEB/ESC, EUR/PGI, EUR/WE, OES/EGC, OES/PCI,
STATE PASS TO USDA, FAS

E.O. 12958: DECL: 07/17/2013
TAGS: [EAGR](#) [SENV](#) [TBIO](#) [KGHG](#) [SP](#)
SUBJECT: AMBASSADOR DISCUSSES CLIMATE CHANGE, BIOFUELS,
AGRICULTURAL PRODUCTS WITH MINISTER OF ENVIRONMENT, RURAL
DEVELOPMENT AND MARINE AFFAIRS

Classified By: Classified by Ambassador Eduardo Aguirre -- reasons: 1.4
(b) and (d).

¶1. (C) Summary: On July 16, Ambassador Aguirre met with Elena Espinosa, GOS Minister of the newly created Environment, Rural Development and Marine Affairs Ministry. Ambassador Aguirre discussed the importance of climate change, emphasizing the shared USG and GOS goal of reducing greenhouse gas (GHG) emissions and highlighted our cooperation on renewable energy. The Ambassador also stressed the importance of including China and India in a post-2012 framework for emissions reductions, and reinforced that the importance of climate change to the USG will not diminish with a new Administration. The Ambassador discussed the high level of bilateral cooperation between the USG and GOS on agricultural issues. He noted that Spain is an important EU ally on agricultural biotechnology and reinforced the importance of GOS support. Ambassador Aguirre also raised the relevance of developing the biofuel industry and investing in research and development, citing the DOE's grants to Spanish energy company Abengoa to develop second generation cellulosic technology. The Ambassador also mentioned positive developments in Spain's agricultural exports to the U.S., particularly wine. Finally, the two discussed Spain's infrastructure for combatting wild fires. Although the meeting was cordial, Minister Espinosa was not too engaged and did not lead the conversation at any point.
END SUMMARY.

¶2. (SBU) Ambassador Aguirre, accompanied by ESTOff, paid an introductory call to the recently named Minister of Environment, Rural Development and Marine Affairs on July 16. This new ministry, composed of the combined ministries of Environment and Agriculture, has created much more responsibility for Espinosa, who previously served as the Minister of Agriculture since April 2004. Given GOS President Zapatero's emphasis on high profile environmental issues, including reducing emissions and implementing renewable energy portfolio standards, the Minister will play an increasingly important role within the GOS. The Minister now has responsibility for a wide variety of issues including climate change and emissions, ocean protection and water issues, food and nutrition, agricultural and biotechnology policy, biodiversity, fishing and aquaculture, and rural community improvement.

Climate Change

¶3. (SBU) The Ambassador stressed the importance of addressing climate change and noted that, although GOS and USG environmental policies and practical approaches differ, our governments share the goal of reducing GHGs. The Ambassador also mentioned our important bilateral cooperation on renewable energy, highlighting a Spanish renewable energy trade and investment mission in February 2008 in which the Ambassador, GOS Secretary of State for Climate Change Teresa

Ribera, and several other GOS officials and leaders from Spain's renewable energy mission participated. Espinosa acknowledged the strong level of cooperation that has developed and expressed her support. Ambassador Aguirre raised the importance of including China and India in a post-2012 framework for emissions reductions. The Ambassador also reinforced that the importance of climate change with the USG will not diminish, regardless of which party wins the November 2008 elections.

Agricultural Biotechnology and Exports

¶4. (SBU) Ambassador Aguirre noted the strong bilateral relationship that exists between the USG and GOS on agricultural issues, and stressed the USG's view that agricultural biotechnology can contribute positively to the world food crisis and energy security. Spain continues to be the USG's strongest ally within the European Union on agricultural biotechnology, and the Ambassador emphasized the importance of maintaining this favorable stance.

¶5. (SBU) The Ambassador and Minister Espinosa discussed the importance of Spain's agricultural exports, particularly from the wine industry. Espinosa said her ministry works with Spanish wine producers and the Spanish Embassy in Washington to promote exports to the U.S., as well as with other agriculture exporting industries. Ambassador Aguirre said the U.S. welcomes Spanish wine imports and stressed that marketing is critical to broaden U.S. consumer awareness of Spanish wines, similar to French and Italian efforts. The

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Ambassador also noted the USDA's recent approval of jamon iberico for export from Spain.

Biofuels

¶6. (SBU) The need to continue the development of biofuels was also raised by the Ambassador. He emphasized the USG's ongoing commitment to research and development, noting the DOE's recent grant awarded to Abengoa, a diversified Spanish energy company with biofuel production plants in the U.S., in support of its effort to develop second generation cellulosic technology. Spain's biofuel industry, which had promised to become a booming industry with plans for construction of 50 biodiesel and ethanol plants, has almost completely stopped production. In addition to competition from imported biofuel, the industry has stalled due to the GOS' delay in passing a mandatory biofuel blending requirement and the significant increase in the price of raw feedstock material.

Wildfires

¶7. (SBU) Finally, the Ambassador and Minister Espinosa discussed the issue of wildfires in California. Espinosa described the GOS structure for employing resources to combat wildfires. When dealing with wildfires, each autonomous community decides whether to ask the GOS for assistance. If needed, communities alert Espinosa's ministry, who then deploys resources from the national and regional governments. Although the Ministry of Environment, Rural Development and Marine Affairs controls firefighting assets including aircraft and other equipment, Espinosa said her ministry relies on the Ministry of Defense for logistics and other assistance, including air traffic control in the affected area.

Comment

¶8. (C) Espinosa did not provide any insight into why the GOS has combined so many areas under one ministry, responding

to the Ambassador's question by simply saying that she and her people are working through the challenges of a new structure. In fact, the Minister was not very engaged throughout most of the meeting. Instead, she mostly answered Ambassador Aguirre's questions and occasionally made gestures or comments of acknowledgement. Minister Espinosa is viewed favorably both by President Zapatero and industry in large part due to her success in fighting in Brussels to protect Spain's domestic agriculture industry. Espinosa was successful in insisting that the European Commission (EC) continue to provide the same or greater level of monetary support to Spanish farmers. Spain's agricultural industry is particularly sensitive to further tariff reductions under the EC's Common Agricultural Cap and believes that Spain has already been over-exposed to competition from imported commodities. By being named to head this new 'super' ministry, Zapatero effectively promoted Espinosa. As for leadership within her ministry, Espinosa has not made any major changes and has retained her team from the previous Agriculture Ministry.

Aguirre